

FARMINGTON CITY COUNCIL MEETING

March 14, 2017

SPECIAL SESSION

Present: Mayor Jim Talbot (via phone); Councilmembers John Bilton, Doug Anderson, Cory Ritz; City Manager Dave Millheim, Community Development Director David Petersen, Public Works Director Walt Holkanson, Street Supervisor Ray White, City Engineer Chad Boshell, City Recorder Holly Gadd, and Recording Secretary Tarra McFadden

Excused: Councilmembers Brigham Mellor, Brett Anderson

Mayor Jim Talbot was excused from the meeting at 8:27pm.

CALL TO ORDER:

Councilmember **John Bilton** called the meeting to order at 7:23 p.m.

Roll Call (Opening Comments/Invocation/Pledge of Allegiance)

The invocation was offered by Councilmember **Doug Anderson** and the Pledge of Allegiance was led by Councilmember **John Bilton**.

DISCUSSION ITEMS

Road Repair Budget List and Priorities

Public Works Director **Walt Holkanson** noted that with increased development and growth of the City, there is increased traffic and pressure on roads. This season had a particularly bad freeze and thaw cycle and when coupled with the use of salt it caused excessive wear and tear. **Walt Holkanson** has received many calls from concerned citizens about the state of the City roads, but because of budget shortfalls, some of the roads in question are 10 years down on the list of priorities for repair.

Street Supervisor **Ray White** stated that the quality of the pavement has decreased as suppliers have put less oil in the mix and use recycled asphalt rather than clean rock. Roads are not holding up for the 15-20 years as planned. He shared the winter damage report and noted that to complete the repairs to be ready for next winter, it creates a backlog of previously planned street maintenance projects and contributes to a budget shortfall. **Walt Holkanson** said that roads require some maintenance about every seven years and the City is currently in a 20 year rotation.

Walt Holkanson presented data from the IWorks program which is used to track and record the condition of the roads. Staff analyzes the data and prioritizes which roads need service. **Walt Holkanson** demonstrated that to complete all of the repairs needed throughout the City, the

Roads budget would need to be approximately \$1.4 million dollars. The expected budget is approximately \$740,000 as the Prop 1 monies have been allocated by the City Council to the 650 West Improvement budget. **Walt Holkanson** encouraged the Council to be mindful of street maintenance costs in future budget discussions.

City Manager **Dave Millheim** noted that the road budget is from general fund monies and has only been increased every few years. The Council discussed the option of an enterprise fund for roads. **Walt Holkanson** stated that there is pressure on small cities as the State and County take a share of road funds and noted that little of the gas tax revenue remains in Farmington. **Dave Millheim** stated that the City would not move the Prop 1 money out of the 650 West project unless directed by the Council.

Councilmember **Cory Ritz** suggested that the decision by the Council to move the Prop 1 money to the 650 West project may have been a mistake. He would like the Council to look at the option of reallocating those funds and explore the possibility of an enterprise fund for future needs. Councilmember **Doug Anderson** stated that he would not support moving the Prop 1 money from the 650 West project as he believes it would not be fair to back out of the commitment. **Cory Ritz** offered that an offset could be found if portions of the 650 West project were not completed this year.

Dave Millheim complimented **Ray White** and **Walt Holkanson** on the work that they have done in obtaining and maintaining good road data to help the City prioritize repair projects. The City now has four years of good information, but it demonstrates that the need is outpacing road revenues.

Councilmember **John Bilton** asked for an update regarding snow removal and salt budgets. **Walt Holkanson** said that this year about 4-5 times the original budget was spent, but expenditures have been under budget in previous years.

650 West Road Project – Bid Review, Project Scope, Timeline, etc.

City Engineer **Chad Boshell** presented information from the bids received for the 650 West Road Project. He noted that it was a time sensitive issue and encouraged the Council to agree on a scope and budget so that the bid could be awarded. City Staff are comfortable with the low bid received from Wardell Brothers. **Chad Boshell** noted that the staff report for the Council meeting did not include analysis, but he indicated that all portions of the project have been designed and all went out to bid with the exception of the east side of 1100 W due to the uncertainty of West Davis Corridor and the north side of 500 South because of the Bangerter piece and sections not containing curb and gutter.

Chad Boshell presented an original budget estimate of \$4.2 Million which was a worst case scenario, but the bid came in at approximately \$2.4 Million. The budget is lower because the City received good bids which lowers the unit costs. The proposed budget includes revenues from the City General Fund, Prop 1 monies, impact fees and reimbursement agreements from Miller Meadows, Davis County School District (High School), LDS Church (Seminary property)

and the Ivory Homes Davis Creek development. **Dave Millheim** noted that the Council will be presented with reimbursement agreements for ratification at the March 21 Council meeting.

John Bilton pointed out that there was no revenue commitment from the County despite efforts from City Staff. **Dave Millheim** stated that the City project related to 650 West is for the road, shoulder, curb and gutter with a second phase of the project through UTA and the TIGER grant for sidewalks.

Chad Boshell explained the remaining portions of the budget revenue; a portion would come from calling the 33 extension agreements at an average of about \$10,000 per property, and a final portion from the water fund. A contingency fund has been built into the proposed budget to cover unanticipated costs. Related to the extension agreements, the City plans to call for whatever is required in the original extension agreements and interprets the term “asphalt tie-in” to include costs of asphalt, work to install asphalt which would include subgrade preparation, road base installation, and moving water meters and mailboxes as necessary. **Chad Boshell** recommended that the Council approve the budget as proposed and the scope of work as outlined.

Dave Millheim reminded the Council of the timing of the project. He outlined the hope to have a notice to proceed from this meeting (March 14) with a vote to approve on March 21st. If the Council wants to pare down the project, then Staff needs to know. The City does not want to move on calling the extension agreements or noticing the winning contractor if the Council is not committed to the budget and scope as presented. He noted that the extension agreement is an important piece, but only 12% of the project budget. If residents opt to have the work completed with their own contractors, they will be required to follow the approved design and it will be inspected to ensure that the work meets City standards. The impacted residents will want time to evaluate what will be required of them.

Cory Ritz indicated that he would not approve the budget and scope in its current form. He argued that the Council needs to have a discussion to agree on definitions of items within the extension agreements, such as “asphalt tie-in.” **Cory Ritz** further cautioned that calling the extension agreements would tie the City into a 90-day performance and it would be better to wait until the construction is at a stage that 90 days to completion is an achievable outcome. He noted that current extension agreement holders outside of the scope of the 650 West project have approached him wanting to know if there is a way to buyout of the agreement at the current value so that the City would be required to construct roads in the future. **Dave Millheim** indicated that there are four or five different versions of the extension agreements. Allowing a buyout would be rescinding a current contract. **Cory Ritz** suggested that the Council agree on a uniform extension agreement and apply it to all impacted residents. **Cory Ritz** also noted that the Prop 1 money needs to serve its original purpose and so the budget should be revised.

Dave Millheim noted that the schedule will have to be updated if an agreement cannot be reached. He indicated that with the City interpreting the agreements as **Chad Boshell** outlined, the city has covered the design costs. These are costs that could be allocated back to the agreement holders. **Dave Millheim** cautioned that he does not want to see this project paralyzed by the extension agreements as they are a small portion of the budget. Mayor **Jim Talbot**

encouraged Councilmembers to move toward a united council vote around calling the extension agreements relevant to the scope of the project.

Doug Anderson indicated that he was not ready approve the budget and scope in its current form. He expressed a desire for an understanding of what is in the extension agreements and who defines the related terms.

To clarify the concerns of Councilmembers, each portion of the project scope for the 650 West Road Improvement Project was reviewed by **Chad Boshell**. As outlined in the staff report, the Council was supportive of items 1, 2, 3 and 5. The Council directed **Chad Boshell** to include a breakdown of budget costs for items 4, 6 and 7 for the next week's Council meeting for further discussion. **Dave Millheim** committed to having this detailed information to present to the Council on March 21st along with a matrix of the types of extension agreements, a notice to proceed with the scope so that the City may notice the winning bidder and the extension agreement holders.

ADJOURNMENT

Motion:

At 8:58 pm, **Cory Ritz** made a motion to adjourn the meeting. **Doug Anderson** seconded the motion which was unanimously approved.

Holly Gadd, City Recorder

Posted April 24, 2017